

Kentucky Higher Education Student Loan Corporation
Balance Sheet by Fund
December 31, 2008

	Auction Rate Education Finance Funds	
	1997 General Bond Resolution	2004 General Bond Resolution
ASSETS		
Current:		
Cash and Cash Equivalents		
Accounts Receivable and Prepaid Expenses	\$24	\$1,789
Receivable from US Department of Education (<i>Schedule A</i>)	1,432,123	2,088,047
Accrued Interest Income	17,999,090	24,574,790
Accrued Investment Interest Income	99,961	59,040
Total Current Assets	19,531,198	26,723,666
Noncurrent:		
Restricted Cash and Cash Equivalents	41,168,470	40,266,167
Loans, Net	813,991,675	960,953,556
Deferred Front End Borrower Benefits, Net	6,890,303	19,326,986
Deferred Debt Issuance Costs, Net	3,247,402	3,777,899
Deferred Loan Purchase Premiums and Lender Origination Costs, Net	2,899,443	4,915,587
Fixed Assets, Net		
Total Noncurrent Assets	868,197,293	1,029,240,195
Total Assets	887,728,491	1,055,963,861
LIABILITIES		
Current:		
Accounts Payable and Accrued Expenses	216,734	607,639
Interfund Payable (Receivable)	215,431	(5,331,950)
Accrued Interest Expense	5,747,922	1,769,107
Total Current Liabilities	6,180,087	(2,955,204)
Noncurrent:		
Allowance for Arbitrage Liabilities	345,778	283,087
Bonds Payable	844,700,000	1,060,100,000
Total Noncurrent Liabilities	845,045,778	1,060,383,087
Total Liabilities	851,225,865	1,057,427,883
NET ASSETS		
Invested in Capital Assets, Net		
Unrestricted		
Restricted	36,502,626	(1,464,022)
Total Net Assets	36,502,626	(1,464,022)
Total Liabilities and Net Assets	\$887,728,491	\$1,055,963,861

Schedule A

	<u>1997 General Bond Resolution</u>	<u>2004 General Bond Resolution</u>
Receivable from (Payable to) US Department of Education		
Accrued loan interest/government	1,903,752	4,023,740
Accrued loan interest/special allowance	(472,115)	(1,858,783)
Origination fee payable	262	(41,324)
Lender origination fee payable	224	(35,586)
	<u>1,432,123</u>	<u>2,088,047</u>
Total Receivable (Payable) related to US Dept of Education		